
SOUTH FLORIDA WATER MANAGEMENT DISTRICT

CONTINUING ANNUAL AND EVENT DISCLOSURES

The following disclosures comply with amendments of the Securities and Exchange Commission (SEC) Rule 15c2-12 (b)(5)(i)(A) to (D). Effective in 1995 the amendments required municipal bond underwriters to gain reasonable assurance from bond issuers that they will provide annual information and notices of material events for disclosure to the secondary bond market. To enter the bond market, the District and other issuers of state and local government securities are indirectly affected by these amendments.

We are using this section of the District's Comprehensive Annual Financial Report to comply with our continuing disclosure agreement.

DISTRICT AGREEMENT AND EFFECTIVE DATES

In respective Bond Resolutions, the District agreed to provide continuing disclosure of (a) annual information and (b) notices of material events upon issuing its

- Special Obligation Land Acquisition Refunding Bonds, Series 1995,
- Special Obligation Land Acquisition Refunding Bonds, Series 1996 and
- Special Obligation Land Acquisition Refunding Bonds, Series 2002.

We are also providing this information for the only other outstanding District bonds:

- Special Obligation Land Acquisition Refunding Bonds, Series 1993.

SUMMARY OF CONTINUING BOND DISCLOSURE REQUIREMENTS				
Recipient	Annual Financial Information	Audited Annual Financial Statements	Notice of Material Events	Notice of Failure to Provide Annual Financial Information
	SEC Rule 15c2-12 (b)(5)(i)(A)	SEC Rule 15c2-12 (b)(5)(i)(B)	SEC Rule 15c2-12 (b)(5)(i)(C)	SEC Rule 15c2-12 (b)(5)(i)(D)
	Effective FYE (1) After Jan. 1, 1996	Effective FYE (1) After Jan. 1, 1996	Effective July 3, 1995	Effective April 1 After FYE (1)
Each MRMSIR (2) or the MSRB (3)			X	X
Each MRMSIR (2)	X	X		
Paying Agent (4)	X	X	X	X
Underwriters (4)	X	X	X	X
(1) For the District, the date first effective was for Fiscal Year Ended (FYE) September 30, 1996. (2) Nationally Recognized Municipal Securities Information Repository. (3) Municipal Securities Rulemaking Board. (4) Required under Governing Board Resolution 95-28, Section 24, in connection with the issuance of the Special Obligation Land Acquisition Refunding Bonds, Series 1995.				

ANNUAL FINANCIAL INFORMATION

SEC Rule 15c2-12(b)(5)(i)(A) requires annual financial information and operating data that are generally consistent with the presentation included in the Official Statements for each bond issue. The following paragraphs summarize the “Security for the Bonds” appearing in the Official Statements. Subsequent paragraphs, tables and exhibits contain the required financial information and operating data to include

- pledged revenues, and
- funding and allocation of monies and deposits of the Trust Fund.

SECURITY FOR THE BONDS

The Bonds are secured by a first lien on and payable solely from the “Pledged Revenues” as provided in the Bond Resolution.

The Bonds are limited obligations of the District. As such, the District, the State of Florida, or any public body in the State shall not

- pledge its full faith and credit to the payment of bond principal, interest or premium; or
- directly or indirectly be contingently obligated to levy any taxes or to make any appropriation for payment except from the pledged revenues for debt service on the Bonds.

Pledged Revenues consist of all monies collected, allocated to the District, and deposited in the Water Management Lands Trust Fund (the “Trust Fund”) which consist of:

- a share of the Documentary Stamp Tax,
- investment earnings and civil penalties.

The pledged revenues equally and ratably secure the Series 1993, 1995, 1996 and 2002 Bonds. The Florida Department of Environmental Protection maintains the Trust Fund.

DOCUMENTARY STAMP TAX

The State of Florida imposes an excise tax on documents (the “Documentary Stamp Tax”). Under current law, the Documentary Stamp Tax is levied upon certain instruments whereby interests in real property are conveyed, original issues of stock, bonds and debentures issued in the State of Florida, promissory notes or other written obligations to pay money, and mortgages recorded in the State of Florida. In general, the amount of the Documentary Stamp Tax due with respect to an instrument is based upon the amount of indebtedness evidenced or secured thereby, or in the case of documents transferring interests in property, upon the consideration for the transfer, or, in the case of stocks and bonds, upon the face value or actual value thereof.

The Documentary Stamp Tax is collected by the Florida Department of Revenue (DOR) and by the Clerks of the Circuit Courts of the counties in Florida on behalf of the DOR. The Documentary Stamp Tax is distributed, for various purposes, pursuant to a statutorily-prescribed formula.

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Under current law, the DOR distributes the Documentary Stamp Tax collections and investment earnings, thereon, as follows:

- The first 7% to the State of Florida General Revenue Fund to pay a portion of the costs of general government.
- The costs of collection and enforcement of the Documentary Stamp Tax are deducted by and for the use of the Department of Revenue.
- A portion of the then remaining Documentary Stamp Tax collections (including investment earnings) are required to be deposited in the Trust Fund.

There is no assurance that the Florida Legislature will not change the percentage allocations to the General Fund, the Documentary Stamp Tax collections to the Trust Fund, or the percentage of the Trust Fund allocable to the District. Likewise, the Legislature could implement an appropriations bill affecting the distributions to the Trust Fund. Such changes, if made, could affect distributions to the Trust Fund. However, there exists an implied contract with the State to allocate sufficient documentary stamp revenues to cover debt service.

The following table illustrates the historical taxation rates and percentage distribution to the Trust Fund.

HISTORICAL DOCUMENTARY STAMP TAX RATES AND TRUST FUND DISTRIBUTION			
Year Effective	Tax (Per \$100) Stocks/Bonds/Mortgages	Tax (Per \$100) Deeds	Percent to Trust Fund
1963	\$.15		
1981		\$.45	7.20%
1985		\$.50	9.80%
1987		\$.55	9.20%
1990	\$.32		6.90%
1991		\$.60	6.56%
1992	\$.35	\$.70	5.84%
2001			4.20%

FUNDING AND ALLOCATION OF THE TRUST FUND

Deposits distributed to the Trust Fund began accruing to the District and the State's other four water management districts in August 1981. Under present law, moneys from the Trust Fund (net of DEP's administrative expenses) are allocated monthly among the State's five water management districts in the following percentages:

- 30% - South Florida
- 25% - St. Johns River
- 25% - Southwest Florida
- 10% - Suwannee River
- 10% - Northwest Florida

USE OF THE TRUST FUND

Expenditure of moneys from the Trust Fund is limited to payment of debt service and the acquisition, management, maintenance and capital improvement costs of certain lands included within the District's Five-Year Plan and to DEP's cost to administer the Trust Fund.

Moneys in the Trust Fund not needed to meet land acquisition and management costs, or current debt service, are invested by the State Treasurer to the credit of the Trust Fund, in the manner provided by Florida law. Interest received on such investments is credited to the Trust Fund and proportionally allocated to the District.

A Life-to-Date Analysis of the District's account within the Water Management Lands Trust Fund appears on Page V-7.

ESCROW AND RESERVE FUNDS

Security for payment of debt service on outstanding bonds is provided from two sources:

- An Escrow Fund within the Trust Fund and
- A Surety Bond issued by MBIA and held by the Trustee.

Trust Fund Escrow

An agreement between the District and the Florida Department of Environmental Protection (DEP) requires DEP to set aside and escrow from the first moneys allocable to the District in the Trust Fund, sufficient moneys for the payment of principal and interest on the Bonds becoming due in such Bond Year. DEP is obligated to pay Trust Fund moneys sufficient to pay debt service as it becomes due on the Bonds to the District's Paying Agent. However, such payment shall not exceed the District's cumulative portion of funds in the Trust Fund.

Debt Service Reserve Fund/Surety Bond

The Bond Resolution provides for establishment and maintenance of the Reserve Fund for the purpose of making deposits in the Debt Service Fund in the event the moneys therein are insufficient for the payment of sums due on the Bonds, and for no other purpose. Moneys on deposit in the Reserve Fund shall be maintained for the benefit of the holders of the Series 1993, 1995, 1996 and 2002 Bonds, and any parity obligations of the District issued pursuant to the Resolution.

The District is required to have on deposit in the Reserve Fund an amount of money and/or Debt Service Reserve Fund Surety Bonds equal to the Reserve Fund Requirement. Beginning in 1995, the District obtained a Debt Service Reserve Fund Surety Bond to meet this requirement. The Reserve Fund Requirement is defined in the Resolution to mean, at any time, an amount equal to the lesser of

- (a) the maximum amount of principal and interest on all outstanding bonds due in any succeeding fiscal year, or
- (b) the aggregate of ten (10%) of the original proceeds of each series of bonds.

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ANNUAL DEBT SERVICE REQUIREMENTS

Debt service requirements on the Series 1993, 1995, 1996 and 2002 Bonds are as follows:

ANNUAL DEBT SERVICE (Principal & Interest) REQUIREMENTS (Millions)					
Bond Years Ending October 1	Total	Series 1993	Series 1995	Series 1996	Series 2002
2003	\$6.64	\$2.07	\$2.37	\$1.35	\$0.85
2004	6.00	2.07	2.38	--	1.55
2005	7.03	2.07	2.37	--	2.59
2006	7.04	3.59	0.87	--	2.58
2007	7.03	4.45	--	--	2.58
2008-2012	35.13	22.25	--	--	12.88
2013-2015	21.08	13.35	--	--	7.73
Total	\$89.95	\$49.85	\$7.99	\$1.35	\$30.76

AUDITED ANNUAL FINANCIAL STATEMENTS

Section II of this Comprehensive Annual Financial Report contains the District's Basic Financial Statements and related Report of Independent Certified Public Accountants. These statements are consistent with the Basic Financial Statements contained in the Official Statements in compliance with SEC Rule 15c2-12(b)(5)(i)(A) and (B).

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REQUIRED NOTICES

The following table lists each material event and required notice defined in SEC Rule 15c2-12(b)(5)(i)(C) and (D). Other than the defeasance of the 1996 Land Acquisition Bonds, the table confirms that no notice to the NRMSIR or the MSRB and the SID was required for any of the material events related to each of the indicated Land Acquisition Bond Series currently outstanding. This confirms compliance with SEC Rule 15c2-12(b)(5)(i)(C) and (D) from July 3, 1995 to the date of this report.

NOTICE OF MATERIAL EVENTS OR FAILURE TO PROVIDE REQUIRED ANNUAL FINANCIAL INFORMATION		LAND ACQUISITION BONDS			
RULE SEC.	DESCRIPTION	SERIES 1993	SERIES 1995	SERIES 1996	SERIES 2002
(C)(1)	Principal and interest payment delinquencies.	None	None	None	None
(C)(2)	Non-payment related defaults.	None	None	None	None
(C)(3)	Unscheduled draws on debt service reserves Reflecting financial difficulties.	None	None	None	None
(C)(4)	Unscheduled draws on credit enhancements Reflecting financial difficulties.	None	None	None	None
(C)(5)	Substitution of credit or liquidity providers, Or their failure to perform.	None	None	None	None
(C)(6)	Adverse tax opinions or events affecting the Tax-exempt status of the security.	None	None	None	None
(C)(7)	Modifications to rights of security holders.	None	None	None	None
(C)(8)	Bond calls.	None	None	None	None
(C)(9)	Defeasances.	None	None	Yes	None
(C)(10)	Release, substitution, or sale of property Securing repayment of the securities.	None	None	None	None
(C)(11)	Ratings changes.	None	None	None	None
(*)	Default of the Florida Department of Environmental Protection on its obligations Under the Agreement.	None	None	None	None
(D)	Failure to provide annual financial Information or operating data in a timely Manner.	None	None	None	None
(*) Required under Governing Board Resolution 95-28, Section 24, in connection with the issuance of the Special Obligation Land Acquisition Refunding Bonds, Series 1995.					

Water Management Lands Trust Fund - District Account
Life-to-Date Analysis: July 1, 1981 - September 30, 2002

District Fiscal Year Ended Sept. 30	REVENUES			EXPENDITURES			DISTRICT BALANCE
	Documentary Stamp Taxes	Civil Penalties	Allocated Interest Income	Acquisition/ Maintenance Costs	State Transfers (1)	Debt Service Payments (2)	As Of Sept. 30
1982 (15 months)	\$5,055,982	\$ -	\$368,476	\$ -	\$ -	\$ -	\$5,424,458
1983	4,868,970	-	673,014	6,164,955	-	-	4,801,487
1984	6,185,869	-	643,814	143,407	-	4,208,787	7,298,976
1985	6,737,625	5,000	884,443	-	-	4,339,638	10,566,406
1986	10,364,840	-	1,010,435	1,269,997	-	2,155,571	18,516,113
1987	12,607,498	-	1,424,474	2,645,000	-	4,653,525	25,249,560
1988	11,501,906	97,800	1,603,259	12,842,828	-	4,654,975	20,954,722
1989	11,890,924	160,628	1,916,000	6,889,135	-	4,651,230	23,381,909
1990	10,677,733	32,065	2,272,977	2,397,451	-	3,940,262	30,026,971
1991	8,515,201	100,785	1,772,578	15,930,142	1,782,504	3,898,731	18,804,158
1992	8,624,226	636,971	878,699	15,596,662	435,000	4,650,607	8,261,785
1993	10,563,341	82,827	580,623	4,663,491	-	4,452,043	10,373,042
1994	12,526,086	141,974	551,016	5,534,873	-	4,451,184	13,606,061
1995	11,269,447	150,431	897,960	3,442,601	-	4,020,190	18,461,108
1996	12,560,685	109,245	1,221,631	7,346,438	-	2,425,615	22,580,616
1997	13,644,810	269,839	1,216,323	12,377,150	-	7,931,180	17,403,258
1998	17,876,979	403,700	1,526,667	6,050,630	-	7,928,657	23,231,317
1999	19,354,065	457,636	1,468,828	3,821,274	-	7,931,153	32,759,419
2000	15,353,142	551,778	1,821,704	1,075,161	-	7,929,122	41,481,760
2001	20,692,711	921,210	2,696,414	19,447,263	5,700,000	7,925,247	32,719,585
2002	19,077,914	1,205,167	1,779,116	5,320,349	3,390,000	6,971,411	39,100,022
Life-To-Date	<u>\$249,949,954</u>	<u>\$5,327,056</u>	<u>\$27,208,451</u>	<u>\$132,958,807</u>	<u>\$11,307,504</u>	<u>\$99,119,128</u>	<u>\$39,100,022</u>

(1) Transfers during FY 1991-92 represent payments of interest in those years to support the Preservation 2000 program.
FY 2001 and 2002 represent transfers by the State to other State trust funds.

(2) Represent transfers from the Water Management Lands Trust Fund to the Debt Service Fund held by the Trustee.
Amounts will vary from the actual debt service payments due to accumulated monies such as interest earnings in
the Debt Service Fund.